

Child Care Resource & Referral (R & R)
Child Care and Development Fund CFDA Number 93.575
Department of Education & Early Development – Program 31

PARENT R & R COMPONENT

I. PROGRAM OBJECTIVES

The purposes of this grant program, administered by the Division of Early Development, are to provide child care resource and referral services to eligible parents and to make information regarding child care supply and demand available to local and state governments and to other requesters.

This program involves a combination of state and federal pass through money. The audit needs to meet federal audit requirements when applicable. The auditor should review the grant agreement for information on the amount of federal pass through funds in a specific grant.

II. PROGRAM PROCEDURES

Child care resource and referral grantees administer required local, and may administer optional regional, R&R programs. They maintain current information about child care provider rates and conditions of care, including facility location, children's ages accepted, vacancies, and special provisions for care. This information [, and counseling] about choice of quality care is provided to eligible parents seeking child care services. Summary information about parent needs for care, and type and quality of available care, is available to local and state governments and advocacy organizations for community and statewide socioeconomic planning and projections.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

An annual grant agreement [and policy and procedure manual] governs program administration and services. The suggested audit procedures below should be performed in accordance with the specific provisions of the grant agreement in effect for a particular year. The auditors should contact the Department for the most current and updated information on policy guidance and grant requirements.

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

Compliance Requirements

The grant agreement specifies the allowable services including:

1. A method of public input into R&R policies, and documented referral and discontinuation of referral policies;

2. Free R&R service to eligible parents receiving child care subsidy through the Department of Education and Early Development or the Department of Health and Social Services, and other parents determined economically eligible for child care subsidy;
3. Free listing of child care providers included in the resource file, including exempt child care givers holding a valid business license of which proof is maintained by the grantees;
4. Maintaining confidentiality of parent eligibility information;
5. Advertising services to the public;
6. Recruiting new caregivers.
- 7. Training for providers.**

A grantee's detailed budget and narrative specifies approved expenditures in a particular grant year. Funds must be spent only to support the services and activities detailed in the grant agreement, Attachment C, and in the grantee's approved budget for a particular grant year, unless modified by division approved grant or plan amendments. The services above are critical compliance elements.

A grantee must retain sufficient documentation to justify compliance with grant agreement provisions for reasonable, necessary and directly charged costs, in accordance with OMB Circular A-122. Unless a grantee has a federally approved indirect cost rate, it must directly charge costs to the grant.

Suggested Audit Procedures

- Review the grant agreement and policy and procedure manual, and any executed amendments in effect for the relevant time period including letters in the grant file from the division that clarify the grant agreement.
- Determine whether accounting records provide for identification, classification, and recording of expenditures and revenue by each funding source and for each grant budget line item.
- Verify that expenditures were in accordance with grant terms and conditions and were for allowable costs. Especially note that there should be no program income from eligible clients. While charges to Social Security Act, Title IV-A funds may include necessary basic costs, client fees should fully support R&R service to clients ineligible under the grant. Check sources of income for client services. Check that a grantee has established a fee for service or collects other revenues sufficiently to support costs of service to non-grant clients.

B. ELIGIBILITY

Compliance Requirements

Services are available to all eligible clients as described below.

1. Parents participating in the Department of Education and Early Development's Child Care Assistance programs;
2. Parents receiving child care assistance from the Department of Health and **Social** [Human] Services; and
3. Parents determined economically eligible for Education and Early Development's Child Care Assistance programs by guidelines provided to grantees.
4. Grantees must have a fee schedule for R&R services to parents not eligible for free services under the grant.

Suggested Audit Procedures

- Test client eligibility.
- Review and assess for sufficiency, procedures for advertisement, billing, collection of fees for service, and recording of payments for grant ineligible clients.
- Verify that no grant funds paid costs for services to ineligible clients.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING

There are no matching, level of effort, and/or earmarking requirements for this grant program to which the grantees must adhere.

D. REPORTING REQUIREMENTS

Compliance Requirements

Quarterly payment [monthly payment] is contingent upon complete, accurate and timely [monthly] program and fiscal report submission to the division by a grantee. Timely report submission is considered the 20th of the **month following the quarter**. [following month, however, the division has accepted late reports for payment without consequences to a grantee up to two months in arrears of the due date.]

Suggested Audit Procedures

- Evaluate the timeliness of report submission.
- Evaluate the completeness of the reports based upon approved grant service activities.
- Evaluate that no activities other than allowable and approved grant activities were charged to the grant for the reporting periods reviewed.
- Evaluate the accuracy of reports by tracing and linking data on the reports to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirements

A grantee must establish the cost for service, bill clients, and collect fees or otherwise fund payment for R&R service to clients who are not eligible for free service under the grant program. There should be no program income.

Suggested Audit Procedures

- Evaluate the solicitation, collection, handling and use of fees for services.
- Verify there is no program income.
- Review documentation of fees for service by receipts and expenditures.

Modified 5/02